

The Nomination Committee's statement to the AGM 2021

The Nomination Committee has had two meetings ahead of this year's AGM and further to that interviewed Atlas Copco's President and CEO plus one other board member. As previous years the Nomination Committee has actively evaluated the present Board of Atlas Copco AB prior to its proposal to the AGM 2021. This is a continuation of the work started in 2015, when the Nomination Committee decided to prepare a successive renewal and rejuvenation of the Board. Included in this evaluation is the Chairman's yearly presentation to the Nomination Committee of his evaluation of the Board and his views on the work of the Board. The Nomination Committee concludes that the Board is still functioning well.

The Nomination Committee has decided for the AGM 2021 to not propose any changes to the current Board considering the impact of COVID-19 to the work of the Board. Since Sabine Neuss in May 2020 decided to resign from the Board this means that the proposal for the AGM 2021 is that the Board until the AGM 2022 will consist of eight members elected by the AGM.

The Nomination Committee has continued to focus on diversity, independence and gender balance in line with the requirements of Swedish corporate governance code. The Nomination Committee has, in this respect, decided to apply section 4.1 of the code as its diversity policy, which states that the board should exhibit diversity and breadth of qualifications, experience and background. In addition, gender balance should be strived for. Among the proposed Board members to be elected by the AGM, who are not employed by the Company, there are after Sabine Neuss resignation two women and five men, which constitute 28% women. The Nomination Committee will continue its work for increased gender balance.

The Nomination Committee believes that the proposed Board reflects a broad and complementary experience from a number of important business sectors and global markets as well as a composition characterised by diversity and breadth. Several Board members have extensive experience from mechanical engineering business with a global reach which is the business of the Atlas Copco Group. An important aspect for the Nomination Committee has been to form a strong team where members complement each other and hereby constitutes best possible support for the Company's executives. The Nomination Committee has also assessed the Board's independence in respect of both Group Management and major owners and concluded that the proposed Board fulfils all requirements.

The Nomination Committee has in its preparation for the proposal to the AGM of fees to the Board compared fees for other similar Swedish listed companies considering size and complexity. The conclusion is that the Board fees in Atlas Copco are relatively low. Hence, the Nomination Committee proposes a bigger increase than normal and with the intention to continue adjusting the fees the next couple of years to get it to a competitive level.

The Nomination Committee's proposal to the AGM in respect of Auditing Company follows the recommendation of the Audit Committee.